

APPROVED MINUTES OF A REGULAR MEETING OF THE MESCAL-J6 FIRE DISTRICT

And PUBLIC HEARING HELD ON MONDAY, June 1, 2015

Meeting was called to order at 18:31 by Board Chair Mr. Mark Lee. Present at roll call were Board Members: Mr. Jerry Conrad, Mr. Dan Simmons, and Mrs. Mary Bowen. Mr. Steve Hoffman was absent; a quorum existed.

Item 1: Minutes: Board members were provided with the minutes from the May 4, regular meeting. A Motion to approve the May 4, minutes, as written, was presented by Mr. Simmons, seconded by Mrs. Bowen, motion passed 3-0, with Mr. Lee abstaining due to his absence during the May 4 meeting.

Item 2: Treasurer/ Admin Report: Mrs. Bowen presented the HB2527 report and supporting documentation for the month of April, 2015, to the Board. Motion to approve the HB2572, as presented, by Mr. Conrad, second by Mr. Mr. Simmons, motion carried 4-0

Item 3: Warrant Report: Mrs. Bowen presented the Warrant Report. Mrs. Bowen noted that two checks have been voided due to errors. They are check numbers, 151221 and 151231, otherwise the checks are numbered sequentially in the Warrant Report. Mr. Simmons made a motion to approve the Warrant Report, Mr. Conrad seconded the motion. Motion carried 4-0.

A motion to approve the National Bank Account was presented by Mr. Conrad and seconded by Mr. Simmons. The motion was carried 4-0, noting that check numbers 1102 and 1103 were voided. Otherwise, the check numbers are sequential from 1090 – 21106.

Item 4: Fire Chief Report: Chief Moran presented his Chief's report.

- MJ6FD responded to 63 incidents during the month of May. This included 35 EMS calls, 28 fire, rescue, and other calls. Staff responded to the Oak Tree Fire with a water tender and this incident generated approximately \$5,300 in income, of which \$1,043 was returned in firefighter wages. MJFD has recently responded to multiple brush fires west and NW of the Administration Building. Being that each of these fires has been suspicious in nature, staff has been patrolling the area, visiting with local residents, and working with the CCSO in an effort to apprehend the arsonist. The average turnout time this month was 3:57.
- Chief Moran explained that VFIS driver training continues. Staff reviewed the recently approved SOPs. Other training included scene size-up training hosted by Benson Fire Department, wildland drop tank training and a small live burn for some new people.
- Both R171 and WT171 received new tires. R171 experienced another round of issues with the Diesel Exhaust Recovery System Sensor and is once again in the shop. Staff elected to take the vehicle to a different Ford dealer this time, as the previous dealer seems unable to resolve this problem.
- Staff has actively pursued weed control at all of the facilities. RikerTek is managing the switch over of the network and printers. Bluespan has installed the digital phone system and is currently working to port the two fax numbers so they can be digital as well. Chief mentioned that although progress has been slow, on Bluespan's part, some headway has been made. Our digital phone system is currently working with extensions in Stations 1 and 2, as well as the Administration Building. The Internet service is working well; Chief Moran described the speed and quality as very good, and all three MJFD building are communicating.

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- Ms. Stites is actively invoicing as required, although there is no income as of yet.
- ASF is planning the J6 prescribed burn on June 3 or June 4, or the following week. The possibility of a night burn during the week of June 8-12 is a possibility. Chief Moran explained that although a night burn is possibly inconvenient to some residents, it is actually safer and more effectively managed.
- Payroll was over budget by \$927 this month, not including the \$1,043 for the wildland assignment. We are 92% through the year and have expended only 77% of the funds allocated for wages.
- We are experiencing some intermittent transmission issues again. Lone Mountain investigated the repeater today and reported no major issues. We have repaired pagers, radios, serviced the vehicle radios and aside from a few broken antennas, we have determined the system is working at max capacity. Our next step is to get our technician to investigate the equipment at dispatch.
- Some of the wildland equipment we ordered has arrived and we are waiting on the balance.
- Staff has been given permission to begin transferring our exercise equipment to the North room of Admin. This will allow us the option to convert the existing storage room to sleeping quarters if we desire.
- Mr. and Mrs. DuPee recently donated several LED walkway lights, for which the Board thanked them immensely.
- Angela De La Torre of Benson Lumber has applied for a nation-wide Main Street Grant in value of \$100,000. They are asking local residents to access Facebook and vote for Benson Lumber.

Mr. Simmons asked for more information about Bluespan's performance. Chief Moran said that after MJFD's letter to them dated May 1, 2015, they did step up and have completed some of what they promised. Currently, Mr. Riker is in communication with them trying to do the necessary work required of MJFD to have the entire system operational. Mr. Riker has been met with some resistance and less than excellent communication. Chief noted that there are other providers who have shown interest in having a similar agreement with MJFD and that he advises considering another service provider. Chief also mentioned that our executed agreement was lacking in several areas important to the FD's operations.

Item 5: Review of 2015/2016 Fiscal and Reserve Budgets: Chief Moran explained to the Board that Mr. Schelling has suggested that some changes be made to the line items regarding funds that carryover to the next year's budget. The Board and Chief Moran discussed Mr. Schelling's suggestion, but in the end approved the Fiscal Budget without editing the budget as Mr. Schelling suggested.

Item 6: Public Hearing Regarding 2015/2016 Fiscal and Reserve Budgets: The Public Hearing began at 19:06 hours.

- Mrs. Barbara Radzykewycz, a local resident and taxpayer, commented that she is an ardent supporter of the MJFD and has taken the opportunity to tell others about how the District pays stipends to firefighters, and other payroll issues. This evening, Mrs. Radzykewycz mentioned that she noticed that the projected payroll expense for the 2015/2016 Fiscal Budget was far less than the previous year. Chief Moran explained that last year the projection was high and that the projection for this year is based on actual numbers. In addition, Chief said that the District's

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is not paying as much for insurance. Chief Moran assured Mrs. Radzykewycz that the District has not changed insurance companies, and insurance coverage was not decreased, just the price of the policy has reduced.

- Harry Stacey, of Skyline Road, presented his concern for the sustainability of cash flow in the District, to the Board. Specifically he mentioned cash flow projections for Fiscal Year 2016/2017 and wondered if the AFDA requires a two-year forecast. Both Treasurer, Mrs. Bowen, and Fire Chief Moran responded that they do submit a two-year forecast to the County in or before August. Mr. Lee added that all we can do is project our expenses and if there are unexpected expenses then we have to cut back in another area.
- Mrs. Mary McCool expressed her concern that if spending continues the way it is now, that it doesn't appear that the District's income can cover a similar situation in the next fiscal year, especially with no contingency plan. She stated this is why she is interested in the two-year projected budgets. She advised the Board to seek ADFA advice on the finance piece because "a lot of people are doing that right now, this budget year." Mr. Simmons stated that in his statutory training he learned that it is illegal to have a contingency line in their budget. Mrs. McCool then said that "For transparency, carryover is extremely important. Tom Schelling is not the end all know all when it comes to accounting, and whatever else, there are many people that do that so it is very transparent to the public what is being carried over and that planning is in place. It wouldn't be the first time the Fire District has looked for added information and then chosen the best piece. Just because Tom Schelling is in charge of Special Districts, it doesn't mean there aren't other ways of doing things that are accounting appropriate." Mrs. McCool then presented a series of questions to the Board. Each of her questions were answered by either Chief Moran or a member of the Board. She stated that she believes there are consistency and transparency issues with the proposed budgets and urged the Board to table the adoption of these two budgets until the instructors at the AFDA, or an accountant with experience in fire district accounting, can be consulted. Mr. Simmons explained that the nature of grants is serendipitous and simply putting the District in place to take advantage of a possible grant is in the best interest of the District. He went on to say that if the line item (matching funds) isn't present on the budget for a possible grant, that if one does become a possibility, the District would not be able to pursue it.

Chief Moran asked the Board to consider adding a \$7000 line item for IT services. Those funds will come from the following line items already in the Fiscal Budget:

- 6050 Protective Gear Purchase - \$2500
- 6330 Engine 171 G251EK VanPelt - \$2000
- 6350 Tender 172 G252EK F 650 - \$2000
- 6520 Legal – County - \$500

Mrs. McCool said that she brings these items to the Board's attention in good faith. She acknowledged that the Board has brought the District a long way. She urged the Board to take the opportunity to take advantage of training at AFDA.

Mr. Bob Baker stated that the Budget document is not easy to read. He added that the District has not grown to be what he hoped it would be and that it has become, "A monster, a financial monster and a disappointment."

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Mr. Lee said that the only reason the District exists is to serve the community, and after seeing other districts who have had financial difficulties, this Board is trying to be responsible so that they may continue to serve the community.

Mr. Stacy asked what percentage of our calls are on the I-10 and non-residents? Chief Moran responded that roughly 30% were, and although the District faces many challenges, we are actively billing non-residents as often as possible.

At 19:46 hours the Public Hearing was closed and discussion of regular agenda items resumed.

Item 7: Adoption of 2015/2016 Fiscal and Reserve Budgets: Mr. Lee confirmed with Mrs. Bowen that a two-year accounting is due to the County by August 1, 2015. Mr. Simmons made a motion to adopt the 2015/2016 Fiscal Budget, with the \$7000 reallocation of funds for IT Services, and leaving the carry over line item in place. Mr. Conrad seconded the motion, the motion carried 4-0

The Reserve Budget was then considered. Chief Moran explained that nothing on this Budget had changed since the pre-approval in May. He added that not all of the expendables are intended to be spent this fiscal year, they are just budgeted authority in the event the need arises. Mr. Lee pointed out the District is trying to persuade other users of the helipad to contribute to its rehab and that would help reduce the District's cost of refurbishment. Both Chief Moran and Mr. Lee reiterated that the Reserve Budget is a worst case scenario. Mr. Simmons moved that the Reserve Budget be approved. Mr. Conrad seconded and the motion carried, 4-0.

At this time, Mr. Lee invited Mr. Jared Riker, of RikerTek, the opportunity to share information about the Bluespan transition. Mr. Riker stated that he has reservations about Bluespan's ability to deliver the products and services promised in the agreement. In addition, he recognized that some of the products the District was most anticipating (Windows, Microsoft Office, Email, cloud storage) are somehow not captured in the final agreement which was executed, which is a great disappointment to MJFD. Mr. Riker gave a listing of services that are still not operational. They are: Internal network between all stations and admin., and voice mail conversion to email. It is his opinion that Bluespan has been slow to communicate, not followed through on commitments in a timely manner, and that because of their underwhelming performance, considering another option may be prudent at this time.

The Board asked some questions about logistics, e.g. the District's phone service now that the numbers and lines have been moved from Century Link, will a new provider offer telephone service at all, will there be down time, and if so, how wide-spread and for how long... All are valid questions which Mr. Riker will attempt to research in the coming days in anticipation of a potential Special Meeting to discuss the District's options.

Chief Moran said that June 15, 2015 was the first date available for a Special Meeting. Chief assured Mr. Simmons that the District would be prepared to terminate the agreement if that decision is made. Chief also committed to contacting Ms. Owen and bring her up to speed on the matter.

Item 8: HB2572 Cash Flow Projections: Mr. Lee explained that HB2572 requires that the District review its financial situation each month and that a signed acknowledgment, by the Board, is kept on file after each month's review. Chief talked about our current manner

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of bookkeeping using QuickBooks, and the approval by Mr. Schelling to continue use of these tools. Chief explained that he feels the District needs to write a policy regarding the proper input of information, the requirement to use the line items and codes indicated on the approval slip, using proper budgets, etc. in the hope that it will help streamline the process, lessen the number of errors, and add efficiency.

Several options for trying to clean up the accounts in QuickBooks were discussed. Mrs. Bowen committed to exploring options for possible archiving of historical information to free up space and streamline the current day to day operation, grouping together outdated historical information to keep current information easier to access in hope of avoiding mistakes by using out of use codes and line items, etc.

Mr. Lee said that if the District is going to start using actual versus budgeted for our financials then we have to make sure that entries are made and coded correctly.

Mrs. McCool stated that she, "Requested this agenda item because of the twelve month Fiscal cash projection piece. And from the email traffic from Tom Schelling because he was not aware of what AFDA taught, and whatever else, so when he was sent the information, that type thing, his comment was that he was even going to be changing his form, but is waiting until after AFDA and its real important for us if you folks can find out what the significance is of that twelve month cash flow projection because it is required by state statute, and what it means if it isn't and whatever else, cause it's really a helpful tool if it is created and in the finance class they spend a lot of time discussing that. So if you can bring that information please, because it doesn't sound like it was adequate..., it was not mentioned other than what Tom Schelling's input was. Did you have a response from the County Attorney on the twelve month cash flow projections or just that one _____(unintelligible)?"

Mr. Lee said, "The County Attorney commented on this form, that the actual would comply with the requirements of the law." Chief Moran added, "You can run them on a monthly or annual basis, however you choose to do it." Mrs. McCool asked, "And she's saying that that you can run it monthly, it's your choice whether as to do a 12-month fiscal..." Chief Moran said, "No, she didn't say it was a choice, I'm saying there is an option to run it by month, quarter, or annually." Mrs. Bowen said, "We're taking it straight out of QuickBooks, which is the actual..." Mrs. McCool replied, "That is your opinion, I'm trying to find out..." Chief said, "I'm telling you that is what QuickBooks will do, it will run a budget, vs. actual monthly, quarterly, annually, however we choose to run them." Mrs. McCool said, "I know... What I was saying, what state statute requires that's what I was trying to get at. If you could check into it this conference time...it would be" Mr. Lee said, "We've been doing it monthly, so we'll continue doing it monthly." Mrs. McCool responded, "If you could check into it, it would be really helpful please. Thank you because we have to follow up if it isn't done because we need to know what kind of recourse there is. We just want to be on the same page" Mr. Lee asked if there was any further discussion on HB2572. When there was not, the Board moved on to Item 9.

- Item 9: Oath of Office: Fire Chief Moran announced that there were three firefighters who needed to be sworn into office. In front of the Board and audience, Steven Nastasio, Jr.,

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Sean Kuhn, And Tommy Brown took their Oath of Office as required by the State of Arizona.

Mr. Lee also mentioned that Ms. Stites is now a Notary Public and will provide Notary services, gratis, to residents and businesses.

Item 10: Call to the Public:

- Mr. DuPee presented the Board with handouts and said that he has heard that the District is going to purchase a thermal imaging camera. He said that Doug Steckler who is a fan and former advisor to the District, has done some research on the use of thermal imaging cameras. He hoped that the Board would consider an agenda item to put this topic to bed.

Item 11: Adjourn: Motion to adjourn the meeting by Mr. Simmons, second by Mr. Conrad. Mr. Lee declared the meeting adjourned at 20:31 hours.

Minutes compiled and submitted by:



Amy Stites, June 4, 2015